REMARKS

This Amendment replies to the Non-Final Office Action mailed April 4, 2007, reopening prosecution of the instant application in response to the Appeal Brief filed on December 1, 2006, and rejecting claims 1-7, 10-24, and 30-32. Applicants note that although the Office Action states that new grounds of rejection are set forth with respect to only claims 6 and 32, it is believed that new grounds of rejection are, in fact, set forth with respect to claims 1-7, 10-24, 30, and 31. With this Amendment, claims 1-5, 7, 10-14, 16, 18-20, 22-24, and 30-32 are amended, and claim 6 is cancelled. Claims 1-5, 7, 10-24, and 30-32 remain pending in the application and are presented for reconsideration and allowance.

Rejections under 35 U.S.C. § 101

Claims 1-7, 10, 13, and 31 stand rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter. The Office Action states:

> "The claim limitations of 'providing' are neither concrete [nor] tangible, providing steps with no terminating step to make the claims concrete and tangible. As the cited claims include no additional terminating tangible step the claims fail to be meet the statutory test of concrete and tangible. To meet the requirements of 101 the claims must include the affirmative tangible step of, for example, setting up one or more hyperlinks that allow members to access a co-branded Internet. And for example, linking said co-branded sites to effectuate a incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site."

Applicants note that in addition to claims 1-7, 10, 13 and 31 as recited above, a "providing" claim feature is also present in claims 16, 18-20, 22, 24, 30, and 32. Accordingly,

the rejection under 35 U.S.C. 101 is understood to apply to all of the claims having a "providing" feature.

With this Amendment, claims 1-3, 5, 7, 16, 18-20, 22, 24, and 30-32 have been amended to replace the "providing" features as requested in the Office Action. Claims 4, 10-14 and 23 have been amended solely to comply with the amended language of claims 1 and 22 from which claims 4, 10-14 and 23, respectively, depend.

Applicants believe that the claims as amended provide the requisite concrete and tangible steps in satisfaction of the requirements of 35 U.S.C. 101. Accordingly, withdrawal of the rejections under 35 U.S.C. 101 is respectfully requested.

Rejections under 35 U.S.C. § 102

Claims 1-5, 7, 10-15, 18, 19, 30, and 31 stand rejected under 35 U.S.C. §102(e) as being anticipated by the article entitled "Free Internet Access" ("Free Internet Access"). The Office Action states:

> "The reference teaches of providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the retailer; and providing members of the co-branded Internet site with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site; wherein providing members incentives comprises providing the members with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer. (See, page 2, paragraph partnerships, here the discount is the total cost of the Internet Service, the "link" is inherent to the homepage and the co-branding is between Spinway and Kmart). As for claims 5 and 7, the examiner takes official notice that K-mart routinely runs sales. Thus a click through to purchase something on sale anticipates the claim 5 and 7 language. The examiner

takes official notice as to the routine steps of claims 10-15. Claims 18 and 19 are anticipated by disseminating the information to all of the members. As for claim 31, the examiner interprets the language "based on" as broadly as possible to include the decision of Kmart to sponsor the ISP in return for the expectation that purchases would be made."

Under 35 U.S.C. §102, the cited reference must show each and every feature of the claimed invention. Extension of or speculation as to the cited teaching is permitted only when *necessarily present* in the disclosed apparatus or method. In other words, if a particular feature is not specifically disclosed it can only be relied upon under 35 U.S.C. §102 if and only if such feature is necessarily present in the disclosed apparatus or method.

As amended, independent claim 1 sets forth, in part, "discounting subscription fees for access to the co-branded Internet site based upon an *actual* quantity of merchandise purchased from the retailer."

Applicants respectfully submit that the reference "Free Internet Access" fails to show each and every feature of amended claim 1. In particular, Free Internet Access makes no teaching or suggestion regarding *at least* **discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer**, and such feature is not *necessarily present* in the reference. As quoted above, the Office Action interprets the language "based on" as broadly as possible to include the decision of Kmart to sponsor the ISP in return for the expectation that purchases would be made. However, Free Internet Access makes absolutely no teaching or suggestion regarding basing a discount upon an **actual quantity** of merchandise purchased from the retailer, as set forth in amended

claim 1. There certainly is no teaching or suggestion in Free Internet Access that the noted claim element is *necessarily present*. For at least these reasons, Applicants respectfully submit Free Internet Access fails to teach or reasonably make obvious each and every feature of the invention as set forth in amended independent claim 1. Accordingly, withdrawal of the rejection of claim 1 under 35 U.S.C. §102(e) is respectfully requested.

Claims 2-5, 7, 10-15, 18, and 19 each depend, either directly or indirectly, from independent claim 1, which is not anticipated by Free Internet Access for at least the reasons set forth above. Accordingly, dependent claims 2-5, 7, 10-15, 18, and 19 are also not anticipated by Free Internet Access, and withdrawal of the rejection under 35 U.S.C. §102(e) is respectfully requested.

With respect to independent claim 30, Applicants respectfully submit that Free Internet Access fails to anticipate *at least* **setting up on the co-branded Internet site a hyperlink to a news article and a hyperlink to a page on the Internet shopping site offering for sale a product featured in the news article**, and such feature is not *necessarily present* in the reference. Applicants note the Office Action makes no reference to this claim feature, and specifically fails to show how Free Internet Access teaches the claimed feature. Accordingly, withdrawal of the rejection of claim 30 under 35 U.S.C. §102(e) is respectfully requested.

Independent claim 31 has been amended in a manner similar to independent claim 1, and the arguments presented with respect to independent claim 1 are equally applicable to

independent claim 31. Specifically, Free Internet Access fails to anticipate *at least* **discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer through the co-branded Internet site**, and such feature is not *necessarily present* in the reference. The Office Action's interpretation of the phrase "based on" to include the expectation that purchases would be made clearly fails to anticipate the now claimed discount based upon an actual quantity of merchandise purchased. For at least this reason, withdrawal of the rejection of claim 31 under 35 U.S.C. §102(e) is respectfully requested.

Rejections under 35 U.S.C. § 103

Claims 16, 17, and 20-24 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Free Internet Access in view of Tobin and Office Depot (both of record). Tobin and Office Depot are cited as establishing conventional internet business practices. The Office Action states it would have been obvious for one skilled in the art at the time the invention was made to modify the primary reference, as each of the claim limitations has been shown to be a recognized practice in the art of internet co-branding. The Office Action further states that art-recognized variables used for their art-recognized effects, in the same way, in the same art are *per se prima facie* obvious.

Under 35 U.S.C. §103, to establish a *prima facie* case of obviousness, three basic criteria must be met: there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference to

combine reference teachings; there must be reasonable expectation of success; and the prior art reference (or references when combined) must teach or suggest all the claim limitations. MPEP 706.02 (j). "Rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. __, *slip opinion at page 14* (2007). In this regard, identification of a teaching, suggestion, or motivation for modifying a reference or combination of the teachings of multiple references provides helpful insight. *KSR*, 550 U.S. at __, *slip opinion at page 15*.

Applicants submit that that the prior art references, alone and in combination, fail to teach or reasonably make obvious all the claim features. Claims 16, 17, and 20-24 each depend, either directly or indirectly, from independent claim 1. As discussed above under the heading "Rejections under 35 U.S.C. §102," Free Internet Access fails to teach *at least* "**discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer.**" Tobin and Office Depot fail to remedy the noted deficiencies of Free Internet Access in that both Tobin and Office Depot also fail to teach or reasonably make obvious discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer. In fact, the Office Action acknowledges that Tobin does not teach providing members with a discount on subscription fees based upon a quantity of merchandise purchased from the retailer (page 3, lines 13-15). As best understood by Applicants, Office Depot is cited solely for teaching to include on a website a link to an application for an Office Depot Credit card. There is certainly no

teaching in Office Depot regarding discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer. For at least these reasons, withdrawal of the rejection of claims 16, 17, and 20-24 under 35 U.S.C. §103(a) is respectfully requested.

Claims 1-5, 11-24, and 31 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Tobin in view of "American Interactive Media and Shopping.com Announce Strategic Marketing Agreement" ("AIME").

Applicants respectfully submit that the combination of Tobin and AIME cannot support a case of prima facie obviousness as to the claims because, among other possible reasons, the references, alone and in combination, fail to disclose all of the features of the claims as purported in the Office Action. In particular, with respect to independent claims 1 and 31, Applicants respectfully submit that Tobin and AIME, individually and in combination, fail to teach or reasonably make obvious *at least* **"discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer"** (independent claim 1), and **"discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer through the co-branded Internet site"** (independent claim 31).

The Office Action acknowledges that "Tobin does not specifically teach wherein providing members incentives comprises providing members with a discount on subscription fees for access to the co-branded Internet site based upon quantity of merchandise purchased

from the retailer." To overcome the acknowledged deficiency of Tobin, the Office Action cites AIME as teaching accumulation of "Maximizer Dollars" based on a quantity of merchandise purchased from Shopping.com and redeemable for discounted or free internet access. The Office Action concludes it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the incentives as allegedly taught by Tobin to include discounted or free Internet service based on quantity of merchandise purchased as allegedly taught by AIME.

However, AIME is completely silent and provides absolutely no teaching or suggestion regarding how "Maximizer Dollars" may be accumulated. The teachings of AIME regarding Maximizer Dollars are limited to a single statement that "Benefits include no set up fees, and the ability to accumulate and redeem 'Maximizer Dollars' for discounted or free internet access." The above-noted deficiency of AIME was first set forth by Applicants in the Amendment Under 37 CFR 1.116 mailed on March 7, 2006 and, in response, the Advisory Action mailed March 20, 2006, introduced a *new reference* "Shopping.com Announces the Grand Opening of the Internet's First Full Service Retail Destination Hub Site" ("Shopping.com") as teaching that the Maximizer Dollars taught in AIME are inherently accumulated based on the purchase of products and/or services from the website Shopping.com. Notably, the Shopping.com reference is *not utilized* in the current rejection of claims 1-5, 11-24, and 31, but is only referenced in the instant Office Action's "Response to Arguments" at pages 12-13.

Contrary to the position set forth in the Office Action, and even when considering the teachings of Shopping.com, the references, alone or in combination, fail to teach or reasonably make obvious at least "discounting subscription fees for access to the co-branded Internet site

based upon an actual quantity of merchandise purchased from the retailer" (claim 1), and "discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer through the co-branded Internet site" (claim 31). Specifically, the AIME and Shopping.com references teach allowing the shopper to accumulate Maximizer Dollars that may be spent with the participating retailer or ISP as regular currency. However, the subscription fees for access to the co-branded Internet site are not discounted "based upon an actual quantity of merchandise purchased from the retailer" in that a shopper may elect to "spend" accumulated Maximizer Dollars in ways other than paying for access to the co-branded internet site. That is, AIME and Shopping.com teach that the subscription fee remains the same (i.e., not discounted) regardless of purchases from the retailer, and the shopper can elect to spend accumulated Maximizer Dollars to pay part or the entire subscription fee, if so desired.

For at least these reasons, the combination of Tobin and AIME/Shopping.com cannot support a 35 U.S.C. 103(a) rejection of independent claims 1 and 31, and withdrawal of the rejection is respectfully requested.

Dependent claims 2-5 and 11-24 depend directly or indirectly from independent claim 1 that is not obvious over Tobin in view of AIME/Shopping.com for at least the reasons provided above. Accordingly, dependent claims 2-5 and 11-24 are also not obvious at least by reason of their dependency from claim 1. Therefore, withdrawal of the rejection of claims 2-5 and 11-24 under 35 U.S.C. 103(a) is also respectfully requested.

Claim 6 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Tobin in view of AIME as applied to claim 1 above, and further in view of CompUSA Announces Click and Brick Shopping Enhancements by Crowley ("Crowley").

Claim 6 has been cancelled from the application without prejudice or disclaimer, such that the rejection is moot.

Claim 7 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Tobin in view of AIME as applied to claim 1 above, and further in view of Staples.com ("Staples").

The Office Action alleges that the combination of Tobin in view of AIME, as described above, teaches all the features of claim 7 except wherein providing members incentives comprises providing members with notice of store-based clearances, promotional events and/or special events through the co-branded Internet site before publishing notices for such special events to non-members. To overcome the acknowledged deficiencies of Tobin, the Office Action cites Staples.com as allegedly teaching publishing to registered users (members) "News and Hot Offers" before publishing to non-registered users (non-members). The Office Action alleges that "News and Hot Product Offers" represents Applicants' claimed "notice of store-based clearances, promotional events and/or special events" and concludes it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Tobin to provide registered users with "News and Hot Product Offers" notices before non-registered users as taught by Staples.com.

Claim 7 depends directly from independent claim 1, which is not obvious over Tobin in view of AIME for at least the reasons set forth above. Staples.com does not overcome the noted deficiencies of the Tobin/AIME combination, in that Staples.com makes no teaching regarding "**discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer**." Accordingly, dependent claim 7 is also not obvious in view of the art of record.

In addition, contrary to the characterization of Staples.com set forth in the Office Action, Applicants submit that **Staples.com fails to teach or reasonably make obvious "notifying members of store-based clearances, promotional events and/or special events through the co-branded Internet site before publishing notices for such special events to non-members."** There is no teaching or suggestion in Staples.com that the "News and Hot Product Offers" are provided to one class of users (i.e., members) before being provided to another class of users (i.e., non-members). In the Response to Arguments, the Office Action asserts "the only way for a user to get the 'News and Hot Product Offers' is to submit an email address, thereby registering or becoming a member. Therefore only members receive the 'News and Hot Product Offers' and thus members receive the 'News and Hot Product Offers' before non-members." Applicants respectfully submit there is no teaching or suggestion that "the only way for a user to get the 'News and Hot Product Offers' is to submit an email address," as alleged in the Office Action, and such a feature is certainly not inherent. For example, "News and Hot Product Offers" may be simultaneously posted on the web site and emailed to registered users, or even that "News and Hot Product Offers" are posted on the web site before being emailed to registered users.

For at least the reasons provided above, Applicants respectfully submit the combination of Tobin, AIME and Staples.com cannot support a 35 U.S.C. 103(a) rejection of claim 7, and withdrawal of the rejection is respectfully requested.

Claim 10 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Tobin in view of AIME as applied to claim 1 above, and further in view of the article entitled "AOL, Wal-Mart Next to Team On Net Service" by Sandeep Junnakar ("Junnakar").

The Office Action alleges that the combination of Tobin in view of AIME, as described above, teaches all the features of claim 10 except wherein the retailer operates retail stores and the method further comprises distributing software for the co-branded Internet site at the retail stores. To overcome the acknowledged deficiencies of Tobin, Junnakar is cited as teaching a co-branded website between ISP AOL and retailer Wal-Mart including the distribution of software at the retail establishment. The Office Action concludes it would have been obvious to one of ordinary skill in the art at the time of the invention modify the teachings of Tobin to include a retailer such as Wal-Mart and to distribute software at the retail location as taught by Junnakar

Claim 10 depends directly from independent claim 1, which is not obvious over Tobin in view of AIME for at least the reasons set forth above. Junnakar does not overcome the noted deficiencies of the Tobin/AIME combination, in that Junnakar makes no teaching regarding "**discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer.**" Accordingly, dependent claim 10 is also not obvious in view of the art of record.

For at least the reasons provided above, the combination of Tobin, AIME and Junnakar cannot support a 35 U.S.C. 103(a) rejection of claim 10, and withdrawal of the rejection is respectfully requested.

Claim 21 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Tobin in view of AIME as applied to claim 1 above, and further in view of OfficeDepot.com.

The Office Action alleges that the combination of Tobin in view of AIME, as described above, teaches all the features of claim 21 except including a link to an application for a proprietary credit card issued by the retailer. To overcome the acknowledged deficiencies of Tobin, the Office Action cites OfficeDepot.com as teaching including on a website a link to an application for an Office Depot Credit card. The Office Action concludes it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the co-branded website of Tobin to include a like to an application for a proprietary credit card issued by the retailer as taught by OfficeDepot.com.

Claim 21 depends directly from independent claim 1, which is not obvious over Tobin in view of AIME for at least the reasons set forth above. OfficeDepot.com does not overcome the noted deficiencies of the Tobin/AIME combination, in that OfficeDepot.com makes no teaching regarding "**discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer.**" Accordingly, dependent claim 21 is also not obvious in view of the art of record.

For at least the reasons provided above, the combination of Tobin, AIME and OfficeDepot.com cannot support a 35 U.S.C. 103(a) rejection of claim 21, and withdrawal of the rejection is respectfully requested.

Claim 30 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Tobin in view of AIME and further in view of Junnakar as applied to claim 10 above, and further in view of article entitled "IBM to Sell Aptiva Direct" by Jo Wilcox ("Wilcox").

The Office Action alleges that the combination of Tobin in view of AIME and in further view of Junnakar, as described above, teaches all the features of claim 30 except providing to members a link to news articles and a link to a page on the Internet shopping site offering for sale a product featured in the news article. To overcome the acknowledged deficiencies of Tobin, AIME and Junnakar, the Office Action cites Wilcox as evidence that prior to Applicants' invention it was old and well known to include within news articles links to product pages that sell the products featured in the article. The Office Action further alleges that Tobin teaches links to news articles. The Office Action concludes it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the news articles of Tobin to include links to product pages to buy the products featured in the articles as taught by Wilcox.

Applicants submit that the cited references, individually and in combination, fail to teach or reasonably make obvious *at least* "**setting up on the co-branded Internet site a hyperlink to a news article and a hyperlink to a page on the Internet shopping site offering for sale a product featured in the news article.**" Although Tobin teaches links to news articles (e.g., as

in Fig. 11A), the links in Tobin are links having *disparate* content (e.g., "Money Personal Finance"; "Sports"; "Techwatch"). Wilcox teaches news articles having embedded links to product pages that sell the products featured in the article. However, in Wilcox, a user can only access the link to a page offering for sale a product featured in the news article after accessing the news article. That is, Wilcox teaches "serial" access to the links. The Internet site does not include a hyperlink to a news article *and* a hyperlink to a page on the Internet shopping site offering for sale a product featured in the news article. AIME and Junnakar both fail to remedy the deficiencies of Tobin and Wilcox, as neither AIME nor Junnakar teach or reasonably make obvious setting up on the co-branded Internet site a hyperlink to a news article and a hyperlink to a page on the Internet shopping site offering for sale a product featured in the news article.

For at least the reasons provided above, the combination of Tobin, AIME, Junnakar, and Wilcox cannot support a 35 U.S.C. 103(a) rejection of claim 30, and withdrawal of the rejection is respectfully requested.

Claim 32 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Tobin in view of AIME as applied to claim 1 above, and further in view of the article entitled "Keep an Eye Out Avoid Being Strung Along by Finding Out Just How Free That PC Is" by Reshma Memon Yaqub ("Yaqub").

The Office Action alleges that the combination of Tobin in view of AIME, as described above, teaches all the features of claim 32 except providing members with a discount on merchandise purchased wherein the rate of merchandise discount and period of time of which the

discount is available varies on the basis of the length of member's subscription to the Internet service provider. To overcome the acknowledged deficiencies of Tobin, the Office Action cites Yaqub as teaching that at the time of the Applicants' invention it was well known for Internet service providers to give customers discounts on products at affiliated retail stores based on the length of the customer's subscription to the Internet service provider. In the specific case of Yaqub, customers are issued either a $100 or $400 rebate based on whether they sign up for a one year or three year contract with the ISP. The Office Action states it would have been obvious to one of ordinary skill in the art at the time of the invention modify the teachings of Tobin to include providing a discount at PC Flowers (affiliated retailer) based on a length of subscription to an ISP as taught by Yaqub.

Applicants submit that Tobin, AIME and Yaqub, individually and in combination, fail to teach or reasonably make obvious all the features of independent claim 32. In particular, Tobin, AIME and Yaqub fail to teach or reasonably make obvious *at least* **"discounting subscription fees for access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer, and further discounting merchandise purchased on the Internet shopping site of the retailer accessed through the co-branded Internet site, wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider."**

First, as discussed above with regard to independent claim 1, the Tobin/AIME combination fails to teach or reasonably make obvious "**discounting subscription fees for**

access to the co-branded Internet site based upon an actual quantity of merchandise purchased from the retailer." The remarks made with regard to independent claim 1 are equally applicable to independent claim 32.

In addition, contrary to the characterization of Yaqub set forth in the Office Action, Yaqub does not teach or reasonably make obvious "**wherein ... a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider**." Rather, the discount (e.g., rebate) in Yaqub is available only at the time of the initial product purchase (e.g., contract sign-up), no matter the length of a member's subscription.

For at least these reasons, the combination of Tobin, AIME, and Yaqub cannot support a 35 U.S.C. 103(a) rejection of claim 32, and withdrawal of the rejection is respectfully requested.

CONCLUSION

In view of the foregoing, Applicants submit that claims 1-5, 7, 10-24, and 30-32 are in condition for allowance. Favorable reconsideration and prompt allowance are requested. The Commissioner is hereby authorized to grant any extensions of time and to charge any fees under 37 C.F.R. §§1.16 and 1.17 that may be required during the entire pendency of this application, or to credit any overpayment, to Deposit Account No. 500471.

The Examiner is invited to telephone the undersigned to advance prosecution.

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